

Power Cost Memorandum Fuel Cost Update

Date: April 1, 2021

Utility Name (Cert. No.) CIRCLE ELECTRIC, LLC (256)	Utility File No. PC70-0317KK	Date Filed: March 8, 2021
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PCE AMOUNT SUMMARY	Previously Approved PC70-0317JJ	Staff Recommended Amount(s) and Effective Date PC70-0317KK
Class Rate	<u>Date Approved:</u> March 19, 2021	April 2, 2021
ALL	\$0.4844	\$0.5030
<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent		<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent

Prior Fuel Purchase Price: <u>\$ 2.5466</u>	<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted	New Fuel Purchase Price: \$ 2.7324	<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted
Delivery Charge: _____	Surcharge Change: Previous <u>0.0040</u>	Updated <u>0.004</u>	

Weighted Average Fuel Price/Gal. Calculation					
	<u>Gallons</u>		<u>Price</u>		
On Hand	1,660	X	2.5466	=	4,227.38
Delivered	6,035	X	2.7835	=	16,798.14
	<u>7,695</u>				<u>\$ 21,025.53</u>
					Weighted Average \$ 2.7324

Signed: _____

Brenda Cox

Brenda Cox

Utility Financial Analyst

Commission decision re. this recommendation :

	Date (if different from 4/1/21)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT *
Pickett		<i>RMP</i>		
Kurber		<i>KI</i>		
Scott		<i>AGS</i> AGS		
Sullivan		<i>DS</i> DS		
Wilson		<i>Juku</i> Juku		

Special Instructions to Staff:

* If this column is initialed, Staff will contact the Commissioner for the statement. Otherwise, dissent will simply be noted at the close of the By Direction Letter or Order.

CIRCLE ELECTRIC LLC

POWER COST EQUALIZATION CALCULATION
For Test Period Ended December 31, 2016
Fuel Cost Update

- A. Total kWh Generated
- B. Total kWh Sold (Appendix 2)
- C. Total Non-Fuel Costs (Appendix 2)
- D. Non-Fuel Cost/kWh (C / B)**
- E. Total Fuel Costs (Appendix 2)
- F. Fuel Costs/kWh (E / B)**
- G. Eligible Costs/kWh (D + F)
- H. Eligible Cost/kWh (G)
Less 20.63 cents/kwh**
- I. Lesser of (H) or 79.37 cents/kWh
- J. Average Class Rates
- ALL
- K. Lesser of: (I) x 95% or (J)
- ALL
- L. Funding Level in Effect**
- ALL

PC70-0317JJ		PC70-0317KK
Prior Commission Approval	Utility Request	Staff Recommended
363,360	363,360	363,360
330,837	330,837	330,837
148,198	148,198	148,198
\$0.4479	\$0.4479	\$0.4479
88,793	95,271	95,271
\$0.2684	\$0.2880	\$0.2880
\$0.7162	\$0.7358	\$0.7358
\$0.5099	\$0.5295	\$0.5295
\$0.5099	\$0.5295	\$0.5295
\$0.5577	\$0.5577	\$0.5577
Class Power Cost Equalization Per kWh Payable		
\$0.4844	\$0.5030	\$0.5030
100%	100%	100%
\$0.4844	\$0.5030	\$0.5030

PC70-0317KK
Appendix 1

CIRCLE ELECTRIC LLC

SCHEDULE OF ELIGIBLE POWER COSTS, SALES, AND EFFICIENCY
For Test Period Ended December 31, 2016

Fuel Cost Update

				PC70-0317JJ	PC70-0317KK	
				Prior Commission Approval	Per Utility	Per Staff
Non-Fuel Costs:						
A.	Personnel Costs			66,368	66,368	66,368
B.	Operating Expenses			35,419	35,419	35,419
C.	General & Administrative			27,569	27,569	27,569
D.	Depreciation/Amortization			18,502	18,502	18,502
E.	Interest Expense			340	340	340
F.	Other (Describe)			0	0	0
G.	Total Non-Fuel Costs			\$148,198	\$148,198	\$148,198
Fuel Costs:						
H.	Gallons Consumed for Electric Generation			34,867	34,867	34,867
I.	Price of Fuel: (per gal) Weighted Average			\$2.5466	\$2.7324	\$2.7324
J.	Total Cost of Fuel (H x I)			\$88,793	\$95,271	\$95,271
K.	kWh Generated			363,360	363,360	363,360
L.	kWh Sales			330,837	330,837	330,837
M.	kWh Station Service			1,230	1,230	1,230
N.	Efficiency	≥	<u>Standard</u> 10.5	10.50	10.50	10.50
O.	Line Loss	≤	12%	8.61%	8.61%	8.61%
(kWh generated -(kWh sold+ Station Service))/kWh generated						

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Appendix 2

UTILITY NAME: **CIRCLE ELECTRIC LLC**
CALCULATION OF AVERAGE CLASS RATE PER kWh

Rate Schedule: Residential

Customer Charge: 0

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.2063
0 to 500	0.7600	0.0040	0.7640	382.0000		
to						
to						
Max 500			Total	382.0000	0.7640	0.5577

Rate Schedule: Community Facilities

Customer Charge: 0

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.2063
0 to 500	0.7600	0.0040	0.7640	382.0000		
to						
to						
Max 500			Total	382.0000	0.7640	0.5577

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.2063
0 to 500						
to						
to						
Max 500			Total			

Circle Electric LLC

	Delivery Date	Gallons	Cost Per Gallon	*Fuel Treatment	Total Cost
Beginning Fuel Inventory		1,660			
Last Approved Fuel Cost/Gal.			\$ 2.5466		
Beginning Fuel Inventory in Gallons X Last Approved Fuel Cost/Gal. = Beginning Fuel Inv					4,227.38
Reporting Period Purchases	02/03/21	6,034.9	2.6935	0.0900	\$16,798
Totals for Reporting Period Purchases on this sheet:		6,035			\$16,798.14
Grand Totals (beginning inventory plus purchases)		<u>7,695</u>			<u>21,025.53</u>
Total Cost for Reporting Period divided by Total Gallons for Reporting Period =				\$	2.7835
Grand Total Cost divided by Grand Total Gallons =				\$	2.7324

Staff notes Circle included the State motor fuel tax of \$0.08 in the cost per gallon of fuel on its Fuel Report. Staff removed the motor fuel tax from the amount reported to calculate the cost per gallon listed above. Staff removed it because fuel used by power plants for power generation are exempt and entitled to a refund of the motor fuel tax paid. (AS 43.40.015(d)(1), AS 43.40.030(d), and AS 43.40.100(C))

*Circle purchased 9 gallons of a fuel treatment catalyst on 12/29/19. The cost is \$500 per gallon. Circle advised that 1 gallon of treatment will treat 5,500 gallons of fuel. (\$500/5,500= \$0.0909/gal)

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 Schedule BKC-1